



**CABINET FOR HEALTH AND FAMILY SERVICES  
DEPARTMENT FOR MEDICAID SERVICES**

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Governor

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**Janie Miller**  
Secretary

Elizabeth A. Johnson  
**Commissioner**

June 26, 2008

TO: All Community Mental Health Centers  
CMHC (30) Provider Letter A-82

**RE: Operational Changes in Consumer Directed Option (CDO) Services and Budgets**

Dear Kentucky Medicaid Provider:

Effective on July 1, 2008, we will be making the following operational changes in CDO services and budgets:

1. CDO services will be designated as outlined in the approved waivers and regulations. The specific service names, waivers in which the service may be provided, HCPCS codes, service units and crosswalk to traditional waiver services are provided in the table below. Please note that CDO services for all the current Medicaid waivers are addressed below so that this table may be used by both CMHCs and Area Agencies on Aging.

Service Name	Waivers	HCPCS Code	Service Unit	Includes these Traditional Services
Community Day Supports	SCL	T2019	15 minute unit	Adult Day Training and Supported Employment
Home and Community Supports	HCB; SCL; ABI	S5108	15 minute unit	Respite, Community Living Supports, Homemaker, Personal Care, Attendant Care, and Companion
Goods and Services	HCB; SCL; ABI	T1999	One item shall equal one unit	Environmental and home modifications Incontinence and other specialized supplies/equipment
Support Broker Services	HCB; SCL; ABI	T2022 (with HI modifier, for SCL and ABI)	One unit per member, per month	N/A
Financial Management Services	HCB; SCL; ABI	T2040	15 minute unit, limited to eight (8) units per member, per month	N/A

Support brokers will continue to be responsible for assuring that the rates for CDO services do not exceed traditional Medicaid rates for comparable services, as required by the regulations governing the waiver programs.

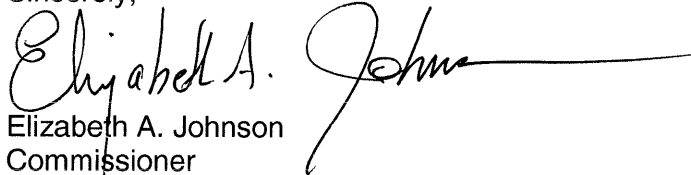
2. Prior authorizations for CDO services will no longer contain unit limitations. Instead, these services will be subject to dollar limitations. Existing prior authorizations, which include unit limitations, will continue to be utilized until the prior authorization period runs out. Then the new prior authorization will be issued based on the dollar limitation.
3. The Department for Medicaid Services will begin transitioning new CDO budgets from 6 month intervals to 12 month intervals. These budgets must coincide with the member's level of care certification dates, so it will be necessary for support brokers to prorate newly developed budgets to be consistent with the level of care certification period. Existing 6 month budgets will remain in effect until the budget period runs out. Then the new budget should be developed on a 12 month basis, prorated as necessary to be consistent with the level of care certification period.

These changes provide increased flexibility for consumers as they develop their support spending plans and better reflect the intent of consumer directed option as conceptualized in Kentucky's waivers. The revisions are being implemented now because the necessary systems changes have been put into place to support them.

Please be aware that it will be extremely important for support brokers and fiscal intermediaries to closely monitor consumer budgets to assure that services remain within the dollar limitation included in the prior authorization.

If you should have questions about these changes, please contact Sheila Davis or JoAnn Blackburn at 502-564-5560 or Cindy McCane at 502-564-6930.

Sincerely,

  
Elizabeth A. Johnson  
Commissioner